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8 **UNITED STATES DISTRICT COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**
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12 SECURITIES AND EXCHANGE
13 COMMISSION,

14 Plaintiff,

15 vs.

16 CRAIG ARSENAULT, ATLAS
17 CAPITAL MANAGEMENT, INC.,
and ACT GLOBAL INVESTMENTS,

18 Defendants.
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Case No. 8:18-cv-02220-DOC (KESx)

**PRELIMINARY INJUNCTION
ORDER AND ORDERS: (1)
FREEZING ASSETS; (2)
APPOINTING A PERMANENT
RECEIVER; AND (3) REQUIRING
ACCOUNTINGS [13]**

1 This matter is before the Court on the Consent and Stipulation of Craig
2 Arsenault, Atlas Capital Management, Inc., and ACT Global Investments (collective
3 “Defendants”) to Entry of Preliminary Injunction and Orders: (1) Freezing Assets; (2)
4 Appointing a Permanent Receiver; and (3) Requiring Accountings.

5 The Court, having considered the SEC’s Complaint, Motion for a Preliminary
6 Injunction, supporting Memorandum of Points and Authorities, the supporting
7 Declarations of Kelly Bowers, Lorraine Pearson, Richard Donner, Elisha Wuertz, and
8 Andrew Heimbold, the exhibits attached thereto, as well as the Defendants’ Consent
9 Stipulation, finds that:

10 A. This Court has jurisdiction over the parties to, and the subject matter of,
11 this action.

12 B. Defendants have consented to the entry of a preliminary injunction on
13 the terms below:

14 **I.**

15 IT IS HEREBY ORDERED that the SEC’s Motion for a Preliminary
16 Injunction is GRANTED.

17 **II.**

18 IT IS FURTHER ORDERED that Defendants Craig Arsenault, Atlas Capital
19 Management, Inc., and ACT Global Investments, and their officers, agents, servants,
20 employees, attorneys, successors, subsidiaries and affiliates, and those persons in
21 active concert or participation with any of them, who receive actual notice of this
22 Order, by personal service or otherwise, and each of them, be and hereby are
23 preliminarily restrained and enjoined, pending trial of the action, from, directly or
24 indirectly, in connection with the purchase or sale of any security, by the use of any
25 means or instrumentality of interstate commerce, or of the mails, or of any facility of
26 any national securities exchange:

27 A. employing any device, scheme or artifice to defraud;

28 B. making any untrue statement of material fact or to omit to state a

1 material fact necessary in order to make the statements made, in light of
2 the circumstances in which they were made, not materially misleading;
3 and

4 C. engaging in any act, practice, or course of business which operates or
5 would operate as a fraud or deceit upon any person;
6 in violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rules 10b-
7 5 thereunder [17 C.F.R. §§ 240.10b-5].

8 **IV.**

9 IT IS FURTHER ORDERED that Defendants Craig Arsenault, Atlas Capital
10 Management, Inc., and ACT Global Investments, and their officers, agents, servants,
11 employees, attorneys, successors, subsidiaries and affiliates, and those persons in
12 active concert or participation with any of them, who receive actual notice of this
13 Order, by personal service or otherwise, and each of them, be and hereby are
14 preliminarily restrained and enjoined, pending trial of the action, from directly or
15 indirectly, in the offer or sale of any securities, by the use of any means or
16 instruments of transportation or communication in interstate commerce or by the use
17 of the mails:

18 A. employing any device, scheme or artifice to defraud;

19 B. obtaining money or property by means of any untrue statement of a
20 material fact or any omission to state a material fact necessary in order to
21 make the statements made, in light of the circumstances under which
22 they were made, not misleading; or

23 C. engaging in any transaction, practice, or course of business which
24 operates or would operate as a fraud or deceit upon the purchaser;
25 in violation of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

26 **V.**

27 IT IS FURTHER ORDERED that Defendants Craig Arsenault and Atlas
28 Capital Management, Inc., and their officers, agents, servants, employees, attorneys,

1 successors, subsidiaries and affiliates, and those persons in active concert or
2 participation with any of them, who receive actual notice of this Order, by personal
3 service or otherwise, and each of them, be and hereby are preliminarily restrained and
4 enjoined, pending trial of the action, from:

5 A. employing any device, scheme or artifice to defraud any client or
6 prospective client; and

7 B. engaging in any transaction, practice, or course of business which
8 operates or would operate as a fraud or deceit upon any client or
9 prospective client;

10 in violation of Sections 206(1) and (2) of the Advisers Act, 15 U.S.C. §§ 80b-6(1) &
11 80b-6(2).

12 VI.

13 IT IS FURTHER ORDERED that, except as otherwise ordered by this Court,
14 Defendant ACT Global Investments, and their officers, agents, servants, employees,
15 attorneys, successors, subsidiaries and affiliates, and those persons in active concert
16 with them, who receive actual notice of this Order, by personal service or otherwise,
17 and each of them, be and hereby are preliminarily restrained and enjoined, pending
18 trial of the action, from directly or indirectly, transferring, assigning, selling,
19 hypothecating, changing, wasting, dissipating, converting, concealing, encumbering,
20 or otherwise disposing of, in any manner, any funds, assets, securities, claims or other
21 real or personal property, including any notes or deeds of trust or other interest in real
22 property, wherever located, of ACT Global Investments, or its subsidiaries or
23 affiliates, including but not limited to AJF Development Group, LLC, or owned by,
24 controlled by, managed by or in the possession or custody of ACT Global
25 Investments.

26 VII.

27 IT IS FURTHER ORDERED that, except as otherwise ordered by this Court,
28 an immediate freeze shall be placed on all monies and assets in all accounts at any

bank, financial institution or brokerage firm, or third-party payment processor, all certificates of deposit, and other funds or assets, held in the name of, for the benefit of, or over which account authority is held by ACT Global Investments, or its subsidiaries or affiliates, including but not limited to AJF Development Group, LLC, or owned by, controlled by, managed by or in the possession or custody of ACT Global Investments including, but not limited to, the bank accounts and parcels of real estate listed below:

Bank Name	Account Name	Account Number
Wells Fargo Bank, NA	ACT Global Investments	XXXX 5551
J.P Morgan Chase	ACT Global Investments	XXXX 7259
J.P Morgan Chase	AJF Development Group, LLC	XXXX 3782

Any bank, financial institution or brokerage firm, or third-party payment processor holding such monies and assets described above shall hold and retain within their control and prohibit the withdrawal, removal, transfer or other disposal of any such funds or other assets except as otherwise ordered by this Court:

Parcel Address	Entity Name
Parcel B in the City of Oceanside, County of San Diego, State of California, as shown on Parcel Map recorded in the Book of Parcel Maps at Page 1935 in the Office of the County Recorder of San Diego	ACT Global Investments/AJF Development Group, LLC.

Parcel Address	Entity Name
County, also known as: Vacant Land 146-140-22-00 Mission Avenue, Oceanside, CA 92054	

VIII.

IT IS FURTHER ORDERED that Craig Arsenault and ACT Global Investments, within five days of the issuance of this Order, shall prepare and deliver to the SEC a detailed and complete schedule of all of their respective assets, including all real and personal property exceeding \$5,000 in value, and all bank, securities, and other accounts identified by institution, branch address and account number. The accounting shall include a description of the sources of all such assets. Such accounting shall be filed with the Court and a copy shall be delivered by email to the SEC to the attention of Donald W. Searles, counsel for the SEC, searlesd@sec.gov. After completion of the accounting, Craig Arsenault and ACT Global Investments produce to the SEC, at a time agreeable to the SEC, all books, records and other documents supporting or underlying each of their accountings.

IX.

IT IS FURTHER ORDERED that Faith Devine is appointed to serve as permanent receiver for the estate of ACT Global Investments, and its successors, subsidiaries or affiliates, including but not limited to AJF Development Group, LLC., (the "Receivership Entity") with full powers of an equity receiver, including, but not limited to, full power over all funds, assets, collateral, premises (whether owned, leased, occupied, or otherwise controlled), choses in action, books, records, papers and other property belonging to, being managed by or in the possession of or control of the Receivership Entity and that such receiver is immediately authorized, empowered and directed:

1 A. to have access to and to collect and take custody, control, possession,
2 and charge of all funds, assets, collateral, premises (whether owned, leased, occupied,
3 or otherwise controlled), choses in action, books, records, personal computers, papers
4 and other real or personal property, wherever located, of or managed by Receivership
5 Entity, with full power to sue, foreclose, marshal, collect, receive, and take into
6 possession all such property (including access to and taking custody, control, and
7 possession of all property of the Receivership Entity property;

8 B. to have control of, and to be added as the sole authorized signatory for,
9 all accounts of the Receivership Entity, including all accounts at any bank, title
10 company, escrow agent, financial institution or brokerage firm (including any futures
11 commission merchant) which has possession, custody or control of any assets or
12 funds of the Receivership Entity, or which maintains accounts over which the
13 Receivership Entity, and/or any of its employees or agents have signatory authority;

14 C. to conduct such investigation and discovery as may be necessary to
15 locate and account for all of the assets of or managed by the Receivership Entity, and
16 to engage and employ attorneys, accountants and other persons to assist in such
17 investigation and discovery;

18 D. to take such action as is necessary and appropriate to preserve and take
19 control of and to prevent the dissipation, concealment, or disposition of any assets of
20 or managed by the Receivership Entity;

21 E. to make an accounting, as soon as practicable, to this Court and the SEC
22 of the assets and financial condition of the Receivership Entity, and to file the
23 accounting with the Court and deliver copies thereof to all parties;

24 F. to make such payments and disbursements from the funds and assets
25 taken into custody, control, and possession or thereafter received by her, and to incur,
26 or authorize the making of, such agreements as may be necessary and advisable in
27 discharging her duties as permanent receiver;

28 G. to employ attorneys, accountants, and others to investigate and, where

1 appropriate, to institute, pursue, prosecute and defend all claims and causes of action
2 of whatever kind and nature which may now or hereafter exist as a result of the
3 activities of present or past employees or agents of the Receivership Entity; and

4 H. to have access to and monitor all mail, electronic mail, and video phone
5 of the Receivership Entity in order to review such mail, electronic mail, and video
6 phone which she deems relates to its business and the discharging of her duties as
7 permanent receiver.

8 IT IS FURTHER ORDERED that the Receivership Entity and their officers,
9 agents, servants, employees and attorneys, and any other persons who are in custody,
10 possession or control of any assets, collateral, books, personal computers, records,
11 papers or other property of or managed by any of the entities in receivership, shall
12 forthwith give access to and control of such property to the permanent receiver.

13 IT IS FURTHER ORDERED that no officer, agent, servant, employee or
14 attorney of the Receivership Entity shall take any action or purport to take any action,
15 in the name of or on behalf of the Receivership Entity without the written consent of
16 the permanent receiver or order of this Court.

17 IT IS FURTHER ORDERED that, except by leave of this Court, during the
18 pendency of this receivership, all clients, investors, trust beneficiaries, note holders,
19 creditors, claimants, lessors and all other persons or entities seeking relief of any
20 kind, in law or in equity, from the Receivership Entity, and all persons acting on
21 behalf of any such investor, trust beneficiary, note holder, creditor, claimant, lessor,
22 consultant group or other person, including sheriffs, marshals, servants, agents,
23 employees and attorneys, are hereby restrained and enjoined from, directly or
24 indirectly, with respect to these persons and entities:
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1 her in carrying out her duties and obligations. All applications for costs, fees, and
2 expenses for services rendered in connection with the receivership other than routine
3 and necessary business expenses in conducting the receivership, such as salaries, rent,
4 and any and all other reasonable operating expenses, shall be made by application
5 setting forth in reasonable detail the nature of the services and shall be heard by the
6 Court.

7 **XII.**

8 IT IS FURTHER ORDERED that no bond shall be required in connection with
9 the appointment of the permanent receiver. Except for an act of gross negligence, the
10 permanent receiver shall not be liable for any loss or damage incurred by any of the
11 defendants, their officers, agents, servants, employees and attorneys or any other
12 person, by reason of any act performed or omitted to be performed by the permanent
13 receiver in connection with the discharge of his or her duties and responsibilities.

14 **XIII.**

15 IT IS FURTHER ORDERED that representatives of the SEC and any other
16 government agency are authorized to have continuing access to inspect or copy any
17 or all of the corporate books and records and other documents of the Receivership
18 Entity and continuing access to inspect its funds, property, assets and collateral,
19 wherever located.

20 **XIV.**

21 IT IS FURTHER ORDERED that this Court shall retain jurisdiction over this
22 action for the purpose of implementing and carrying out the terms of all orders and
23 decrees which may be entered herein and to entertain any suitable application or
24 motion for additional relief within the jurisdiction of this Court.

25 IT IS SO ORDERED.

26 Dated: December 27, 2018



27 DAVID O. CARTER
28 UNITED STATES DISTRICT JUDGE